

## **TALENT RETENTION VS ORGANIZATIONAL COMMITMENT & INVOLVEMENT – MODERATING ROLE OF JOB SATISFACTION WITH REFERENCE TO INDIAN INSURANCE INDUSTRY**

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### **ABSTRACT**

*Indian insurance industry plays a major role in the economic development of the country as it is an industry with high potential for growth. With lots of growth potential insurance industry in India is facing cut-throat competition. Number players in both private and public sectors are competing with one another to sustain and facilitate growth in the business. Talented employees and their commitment and involvement are imperative for the development and sustainability of the insurance company. Hence, the insurance companies should frame the strategies to commitment and involvement among the employees and retain the talent. Job satisfaction plays a crucial moderating role between talent retention and commitment & involvement.*

*The Present study evaluates variables of talent retention, organizational commitment and involvement and job satisfaction among the employee of the insurance industry. The researcher selected respondents from life insurance companies working in Andhra Pradesh and collected required data which is analysed using smart PLS to understand the influence of Talent retention on commitment & involvement along the moderating role of job satisfaction.*

**KEYWORDS:** Employee Retention, Employee Commitment & Involvement & Job Satisfaction

**Received:** Dec 15, 2018; **Accepted:** Jan 05, 2019; **Published:** Jan 21, 2019; **Paper Id.:** IJHRMRFEB201911

### **INTRODUCTION**

Liberalization, Globalization and privatization made the Indian insurance industry face the cut throat competition from all the emerging insurance players across the globe. This enhanced need for huge promotion, customization of products and services, adoption of competitive pricing, attraction of talented professionals, etc., Insurance organizations need to frame the strategies to achieve a competitive edge in the areas of marketing, finance, human resources management etc.

To achieve competitive edge insurance industry must identify the talent pool that can materialize the expected goals of the organization. Organizations must design the process of attracting customers and employees to have an edge over the competitor. The customers and employees attracted are motivated to stay with the organization for longer periods.

In the process of engaging the employees' organization must enhance the employee retention, promote job satisfaction and develop commitment and involvement among the employees.

## LITERATURE REVIEW

Usha Tiwari<sup>1</sup> (2014) makes an attempt to analyse the job satisfaction and its impact on the employee's performance of the life insurance Corporation with the help of percentage and mean tools. He analysed that the average means score and percentage score of LIC as good. The very good score factors are feeling comfort at workplace and relation with their superiors. The factors which score good are working hours and consideration of ideas of employees. Suggested to offer an excellent career opportunity' within the organization, to offer attractive and competitive pay to the potential employees, to facilitate a healthy work culture and proper implementation of stress coping measure like counselling and meditation.

Arpita Singh and Kirti Dharwadkar<sup>2</sup> (2014), focused on the job satisfaction of the employees in the life insurance sector with an objective to find the factors causing job satisfaction among the various categories of the employees and level of satisfaction of public and private insurance companies. Through the study, they identified that the managers of both public and private sector employees are satisfied with their salary but because of more pressure on the managers in the private organizations threatened for the job.

Elza Fatima Rosa Veloso, Rodrigo Cunha da Silva, Joel Souza Dutra, Andre Luiz Fischer, Leonardo Nelmi trevisan<sup>3</sup> (2014), Article focused on talent retention strategies and its impact on the organization. As the success of organization's talent retention strategies can be measured by turnover which is delaying the process and also a reactive attitude. In this research for proactive strategy, Suggested to use the talent recognition, management, stimulating the sharing and explanation of knowledge of these professionals through cooperative relationship may help focus on retaining the skills of individuals rather than individual before their leaves.

Victor Oladapo<sup>4</sup> (2014), the study focused on talent management and its impact on retention and compensation along with the job security. Because of demographical factors, there is a need for organization to replace with knowledgeable and talented workforce. At the same time as there is a shortage of talent workforce, there is a wage war and may American companies facing a problem of shortage of executive talent. The research recognized that retaining key employees is most important to the health of organizations.

Alam Sageer, Dr. Sameena Rafat, and Ms. Puja Agarwal<sup>5</sup> (2012) in their study identify the variables that affect employee satisfaction and their impact on the organization. They are defying employee satisfaction as their happiness at their job and with a working environment like development factors, job security, work task policies of compensation and benefit, promotional and career development opportunities. So study has been conducted on these factors and concluded that there is a need for the organization to develop strategies that strengthen the work environment and increase the employee morale and employee satisfaction to improve productivity.

Afshan Naseem, Sadia Ejaz Sheikh and Prof. Khusro P. Malik<sup>6</sup> GPHR<sup>6</sup> (Aug 2011) deals with the impact of employee satisfaction on the success of organization and relation between customer experience and employee satisfaction. The study is qualitative research and data collected through the questionnaire and results of principal component analysis based on the correlation matrix. Mainly environmental cleanliness, quality food, and room services have played a vital role in creating satisfied customers. From the employee's perspective, along with working atmosphere incentives like salary and training are also satisfactory factors.

Esrafil Ali<sup>7</sup> (2011), in this, as globalization entered number of changes has been occurring in the development of the organization. i.e., the organizations are defining and adopting various strategies and interventions for it's survived. Among these are of the OD interventions is employee involvement. Employee involvement is nothing but improving the level of participation, performance improvement and employee satisfaction. It is also termed as quality of work life. For the employee involvement, the organizations should have four approaches i.e. power, information, knowledge and reward. At the same time with employee involvement interventions quality circle, total quality management, parallel structure the organizations can improve the performance and productive with the help of four approaches which directly contribute the OD and change.

Dr. Ge Na<sup>8</sup> (2010), this article discussed the current challenges faced by the companies and the steps that could be taken to control attrition, if not eliminate it totally. During the time of economic downturn, the organizations will give employees easily, but it will damage the organization for the long-term. Employees feel negative and becomes disloyal that the company will hire and fire at their will by this the loyalty will go. In return, the talented employees leaving the organizations for better quality of work life. These passed new problems to the industry. This survey revealed that the major attrition is facing at senior executive positions because they will leave to start their own firm, secondly, companies are facing a gender crisis with more women from mid and top level position quitting to focus on family or to pursue a career that has less working hours and lesser time-zone completions. He explained these by taking the examples of TCS, Wipro and Infosys. Whereas some companies to overcome this to arrest attrition and retain women employees taking friendly initiatives by providing the option of working from home to relaxation rooms, part-time.

Murali. S.<sup>9</sup> (2010), highlights company's specific policy guidelines available for reemployment and also says that employees are also aware about how to approach the companies in case they are seeking re-employment.

Priyanka Rawal<sup>10</sup> (2011) discusses about the concept of employee retention and its relevance for making an excellent organization in all dimensions and states that only acquiring skilled workforce is not enough in today's changing environment. Retention measures to be taken to make the workforce stay for a longtime.

## **NEED AND IMPORTANCE OF THE STUDY**

The intensity of competition in the insurance business is very high and posing challenges to the insurance business. The insurance business is purely relationship oriented where the insurance organization has to develop relationships with the prospects and continue the relationship with the existing customers. Effective management of human resources is paramount important for the insurer to achieve business goals. The insurer must be knowledgeable in attracting, motivating and retaining the talent. The retained talent must be satisfied and engaged to enhance the commitment and involvement. Insurance industry with stiff competition must learn what contributes to talent retention, what facilitates the job satisfaction and how employee commitment and involvement can be increased.

The present study highlights variables of talent retention, job satisfaction and commitment and involvement along with the relationship of talent retention with commitment and involvement. The study also highlights the moderating role of job satisfaction in enhancing commitment and involvement.

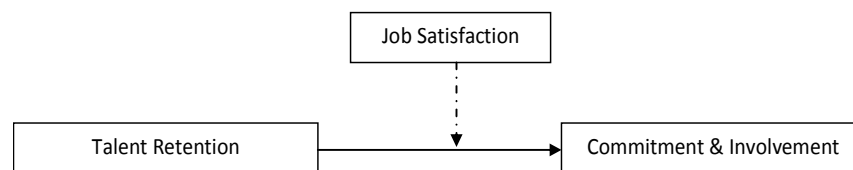
Under this scenario the study is undertaken with the following objectives.

## OBJECTIVES OF THE STUDY

- To study the influence of talent retention on commitment and involvement.
- To understand the moderating role of Job satisfaction in strengthening the relationship of talent retention and commitment & involvement.

## RESEARCH MODEL

The study developed a theoretical model that relates the talent retention, job satisfaction and commitment & involvement as shown in figure 1. The research is directed towards the model that has been developed.



**Figure 1**

## METHODOLOGY

The study is descriptive in nature as the study describes the variables of Talent retention, job satisfaction and employee commitment & involvement as perceived by the employees of the insurance industry.

The study collects primary data from the employees working in the insurance industry by administering a structured questionnaire. Respondents for the study are identified and selected using referral sources. To be more precise the study adopted snowball sampling procedure and developed the sample. The process is continued till the sample builds to 600.

Primary data collected from the selected respondents is coded and tabulated using Excel and analysed using smart PLS.

## FINDINGS & DISCUSSIONS

Researcher assessed Talent retention using the variables viz., liberal rules and regulations, participative management, career development opportunities, fair competitive salary, performance appraisal system, training, challenging nature of work, promotion policy, job rotation, job enrichment, transparency, freedom, recognition & rewards etc.

Job satisfaction is measured using the perspectives Openness and trust worthy, morale among employees, authority and responsibility, career development process, Respect towards human values and culture, Effective communication, effectiveness of Grievance redress mechanism, Fair treatment of employees without any fan fare, Appreciation of employee for performance, Better coordination among employees, Superior approachability, style of leadership, Recognition for better performance, Impartiality, Friendly relationship, Care for personal welfare of employees and Superior Support in completing the work in time.

Commitment & involvement among the insurance employees is measured using the variables growth and development provided by the job, personal meaning and fulfilment in work, High-level of satisfaction derived from the work itself, feeling proud to work, recommend as a great place to work, willingness to go above and beyond what is

expected in job, inspiration by Organization to do best work, relationship of the role in organization to overall goals of the organization, emotional attachment to the organization., feeling of guilty to leave the organization, having a sense of obligation, a sense of belongingness towards organization, happy to spend the rest of the career with the organization and working with the organization is definitely not a mistake.

The data collected is tabulated and analyzed using Smart PLS.

#### **FACTOR LOADINGS OF TALENT RETENTION:**

Factor loadings of variables above 0.5 for Talent retention include Company's rules and regulations are liberal, Career development opportunities are plenty, Fair and competitive salary pays for the employees and Assigning challenging work for a change to overcome monotonous as shown in Table 1.

**Table 1: Factor Loadings of Variables of Talent Retention**

Variable	Loading
Company's rules and regulations are liberal	0.712
Career development opportunities are plenty	0.631
Fair and competitive salary is paid for the employees	0.755
Assigning challenging work for a change to overcome monotonous	0.637

**Source:** Survey

#### **FACTOR LOADINGS OF JOB SATISFACTION**

The variables Open and trustworthy is promoted in the organization, Better coordination among employees, Superior approachability is easy, Superiors style of leadership is conducive for development individual and organization, Recognition for better performance by superior, Impartiality persists, Care for personal welfare of employees by higher ups and Effective communication is facilitated are the variables reliable for measuring job satisfaction are having factor loadings above 0.5 as shown in Table 2.

**Table 2: Factor Loadings of Variables of Job Satisfaction**

Variable	Loading
Open and trust worthy is promoted in the organization	0.738
Better coordination among employees	0.646
Superior approachability is easy	0.658
Superiors style of leadership is conducive for development individual and organization	0.718
Recognition for better performance by superior	0.678
Impartiality persists	0.647
Care for personal welfare of employees by higher ups	0.605
Effective communication is facilitated	0.610

**Source:** Survey

### FACTOR LOADINGS OF COMMITMENT AND INVOLVEMENT

Commitment and Involvement are measured using different variables by the researcher. Variables with factor loading above 0.5 are considered dropping variables less than 0.5. The variables reliable are My job provides me with chance to grow and develop, I would not leave my organization because I have a sense of obligation to its people, I feel a strong sense of belongingness to my organization, Deciding to work for this organization is definitely not a mistake on my part, I find personal meaning and fulfillment in my work, High-level of satisfaction derived from the work itself, I am proud to work for organization, Organization inspires me to do my best work and I understand how my role in organization is related to overall goals of the organization as shown in Table 3

**Table 3: Factor Loadings of Variables of Commitment and Involvement**

Variable	Loading
My job provides me with chance to grow and develop	0.633
I would not leave my organization because I have a sense of obligation to its people.	0.736
I feel a strong sense of belongingness to my organization.	0.675
Deciding to work for this organization is definitely not a mistake on my part.	0.668
I find personal meaning and fulfilment in my work	0.773
High-level of satisfaction derived from the work itself	0.674
I am proud to work for organization	0.608
Organization inspires me to do my best work	0.669
I understand how my role in organization is related to overall goals of the organization	0.650

Source: Survey

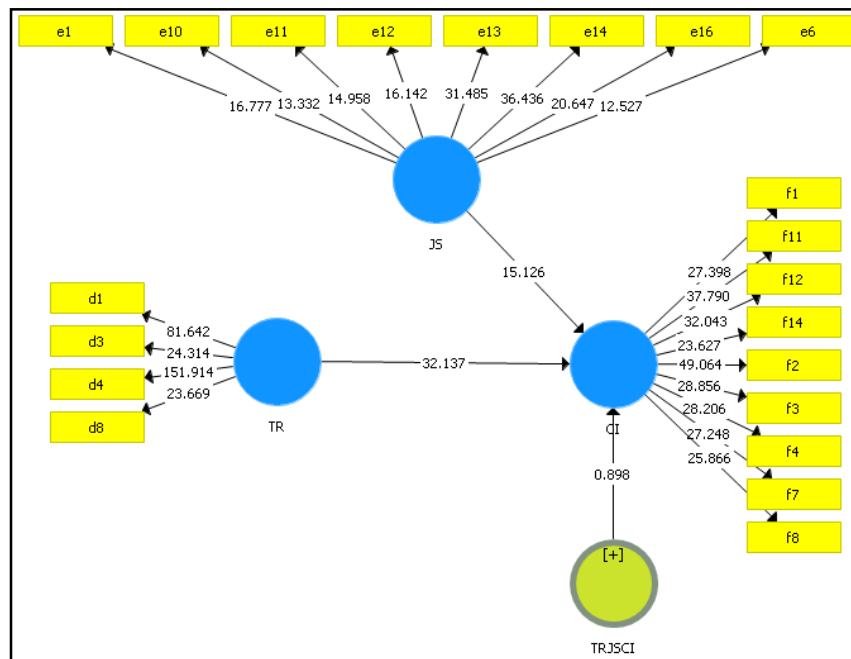
### MODERATING ROLE OF JOB SATISFACTION

The moderating influence of job satisfaction between Talent retention and commitment & involvement along with factor loadings and path coefficients are represented in the figure 1.

Talent retention, explains 73.9% variance in commitment and involvement. Job satisfaction as a moderating variable is insignificant with p value 0.0369 as shown in Table 4.

**Table 4: Hypothesis Testing**

Hypothesis	Relationship	RSQUARE	F SQUARE	P VALUE
H1	TR $\Rightarrow$ CI	0.739	0.118	0.000
H2	TR -JS -CI	0.739	0.003	0.369



Source: Survey

**Figure 2**

## SUGGESTIONS

Insurers must recognize that employee attrition is expensive and require strategies to increase retention. They have to make their firms as a destination not as a stepping stone with a high attrition rate. They must adhere to liberal Company's rules and regulations, create career development opportunities, design fair and competitive pay scales and design challenging job to make employees comfortable with the firm and stay with the organization.

Insurers must develop openness & trust to strengthen interpersonal relationship and group dynamism in the organization which is conducive for the employee job satisfaction. They need to develop morale of the employees to a higher level and make them feel their work is more than the job and inspire the spirit of ownership to enhance job satisfaction. Effective span of control must be designed with role clarity to facilitate responsibility and authority and drive job satisfaction. The insurer must design career growth ladder, promote human values and culture, develop effective communication, and redress grievances.

Employee commitment and Involvement facilitate growth of the organization through value addition by building a strong bonding with the employees. The organization should create an environment to grow and develop with the job by enhancing sense of obligation and sense of belongingness among the employees. The insurer must develop feel good among employees and make them proud to work the organization and generate high level job satisfaction to increase commitment and involvement. The insurer should adopt synchronization of job role with the overall goals of the organization to generate empathy and in turn increase commitment and involvement.

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